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COURT DECISION UNDERSCORES IMPORTANCE OF FAA AIRCRAFT REGISTRY

The U.S. Supreme Court, in a unanimous decision, has ruled that all civil aircraft title transfers must be registered with the Federal Aviation Administration's Aircraft Registry. The ruling gives federal statutes precedence over state laws in deciding disputes regarding aircraft ownership and reinforces the view that the Aircraft Registry, which is located in Oklahoma City, should serve as a "central clearing house" for information on aircraft titles.

The decision was handed down late last month in the case of Philko Aviation, Inc. v. Maurice Shacket et Ux. The issue had been argued before the court in April after a decision by the U.S. Seventh Circuit Court of Appeals was appealed by Philko *(BA, April 25/133).* Both parties had purchased the same aircraft—a 1978 Piper Navajo—from a dealer named Roger Smith. Smith gave the Shackets possession of the aircraft and photocopies of the bill of sale, assuring them that he "would 'take care of the paperwork,' a phrase they understood to include recordation of the original bills of sale with FAA." Smith then sold the same aircraft to Philko Aviation, telling that firm the plane was out of state having avionics installed, but providing the original bill of sale. Philko's bank subsequently recorded the title documents with FAA.

In the ensuing litigation to determine ownership of the aircraft, decisions at the district and appeals court levels were in favor of the Shackets on the basis that the federal statute requiring registration of aircraft title transfers with FAA, Section 503(c), "did not preempt substantive state law regarding title transfers, and that, under the Illinois Uniform Commercial Code . . . the Shackets had title but Philko did not."

Overturns Lower Court Rulings

In overturning the lower court rulings, the Supreme Court stated that "503(c) means that every aircraft transfer must be evidenced by an instrument, and every such instrument must be recorded, before the rights of innocent third parties can be affected. Furthermore, because of these federal requirements, state laws permitting undocumented or unrecorded transfers are preempted, for there is a direct conflict between 503(c) and such state laws, and the federal law must prevail."

The court said its decision was dictated by the legislative history of the statute, noting that Senate, House and conference committee reports "all expressly declare that the federal statute 'requires' the recordation of 'every transfer . . . of any interest in a civil aircraft.' " The court said any other interpretation "would defeat the primary congressional purpose for the enactment of 503(c), which was to create a 'central clearing house for recordation of titles so that a person, wherever he may be, will know where he can find ready access to the claims against, or liens, or other legal interests in an aircraft.' "

The court concluded that "the courts below erred by granting the Shackets summary judgment on the basis that if an unrecorded transfer of an aircraft is valid under state law, it has validity as against innocent third parties. Of course, it is undisputed that the sale to the Shackets was valid and binding as between the parties. Hence, if Philko had actual notice of the transfer to the Shackets or if, under state law, Philko failed to acquire or perfect the interest that it purports to assert for reasons wholly unrelated to the sale to the Shackets, Philko would not have an enforceable interest, and the Shackets would retain possession of the aircraft . . . There may be situations in which the transferee has used reasonable diligence to file and cannot be

(Continued on the following page)

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SHORTS HAS RECORD MONTH FOR AIRCRAFT SALES – Short Brothers, Belfast, Northern Ireland, last month received $80 million in aircraft orders and options, making June its "best month ever in aircraft sales." Besides receiving orders and options from Simmons Airlines *(BA, June 13/188)* and Imperial Airlines *(BA, June 27/205)* for 12 360s worth $50 million, Shorts received orders from: Murray Valley Airlines, Victoria, Australia, three 360s, $12 million; Air U.K. and Avair-Independent Irish Airlines, Dublin, two 330s, $3 million; and Fischer Brothers Aviation Inc., Galion, Ohio, three 360s, $12 million. Total orders and options for the 360 now stands at 59 aircraft. Shorts also has received orders and options from 34 carriers for some 112 330s. Alex Roberts, Shorts marketing director, said receipt of the orders "prove that we are offering the right aircraft to the market at the right time–and equally important, in the right way."

BRITISH AEROSPACE INC. REORGANIZES WASHINGTON MARKETING OFFICE – British Aerospace Inc. announced the reorganization of its marketing department "to meet the increased activity anticipated from the economic recovery," the company said. All marketing officials will continue to report to T. Dewi Rowlands, executive vice president. Alan Hughes, formerly with Rolls-Royce Inc., has been named vice president marketing-airlines. BAe said the addition of Hughes will permit Kenneth C. Spinney, who had been vice president-marketing, to concentrate on corporate sales as vice president marketing-corporate. Ken Weiss will continue as director of marketing-corporate, reporting to Spinney, while David Field will continue as director of marketing-airlines, reporting to Hughes.

The company said its "anticipation of a vigorous recovery in the airline marketplace, plus the current strong corporate market, makes this reorganization and strengthening necessary to keep pace with its future marketing needs." BAe Inc. said the upturn has already been evidenced in both airline and corporate orders, with sales of 21 corporate and commuter aircraft worldwide in May and June, including nine in North America. North American sales during the two-month period include three Jetstream 31s, five HS125s and one BAe 146.

FAA, NTSB TO TESTIFY AT HOUSE AIRPORT SAFETY HEARING – Federal Aviation Administrator J. Lynn Helms and National Transportation Safety Board Chairman Jim Burnett will be the featured witnesses at a hearing on airport safety technology before the House Science and Technology transportation, aviation and materials subcommittee, now scheduled for July 18 instead of the previous July 19 date. Session will be held 9:30-1 p.m. in Room 2318, Rayburn Building. Other witnesses to appear include: J. Donald Reilly, AOCI executive vice president; Russell Hoyt, AAAE executive vice president; ALPA President Henry Duffy; NASA Administrator James Beggs; and, J. Dawson Ransome, president of Ransome Airlines. Hearing will focus on some older airports considered to be "marginal" in terms of safety, including Lindbergh Field in San Diego, Washington National, New York LaGuardia and Chicago Midway, a subcommittee spokesman said.

FAIRCHILD INDUSTRIES TO START UP GEORGIA METAL FABRICATION PLANT – Fairchild Industries Inc. said it will start test operations of its new aluminum sheet metal fabrication plant in Columbus, Ga. on Sept. 1 and begin full-scale production Jan. 2, 1984. The plant, acquired in late 1982, will produce precision detail metal parts for use in assembly operations at other Fairchild plants, but the company said the cost of modernizing each of these facilities would have been prohibitive. Fairchild selected the Columbus site "because of its central location" and favorable transportation costs. The plant is expected to employ about 50 people. Richard Estes has been named plant general manager and the plant will be operated by Fairchild's Commercial/Industrial Products Group.

FAA APPROVES $245 MILLION FOR AIRPORT GRANTS IN FY 1983 FIRST HALF – Federal Aviation Administration has approved $245 million in Airport Improvement Program (AIP) allocations for 379 planning and development projects during the first half of fiscal year 1983. Projects approved are located in 44 states, the Northern Mariana Islands and the Trust Territory of the Pacific Islands *(see chart on the back of this page).* Of the $245 million, $46 million was allocated for 160 projects at general aviation airports and $39 million for 59 projects at reliever airports. Primary airports received $136 million for 94 projects. Commercial service airports were allocated $20 million for 61 projects and $900,000 was allocated for a New Orleans heliport project. The remaining $435,085 went to conduct four system planning studies.

ALLOCATIONS FOR THE AIRPORT IMPROVEMENT PROGRAM (AIP)
BY STATE
OCTOBER 1, 1982, TO MARCH 31, 1983

ALABAMA	11	$ 5,231,812
ARIZONA	2	2,500,000
ARKANSAS	18	3,531,961
CALIFORNIA	21	13,888,072
COLORADO	11	8,097,305
FLORIDA	21	8,863,071
GEORGIA	9	1,920,491
IDAHO	4	1,141,454
ILLINOIS	6	3,511,342
INDIANA	3	4,446,000
IOWA	7	2,257,926
KANSAS	13	7,813,662
KENTUCKY	8	7,403,584
LOUISIANA	16	6,850,378
MAINE	1	435,000
MARYLAND	4	7,451,345
MASSACHUSETTS	2	483,000
MICHIGAN	3	6,906,493
MINNESOTA	6	2,794,892
MISSISSIPPI	16	5,911,247
MISSOURI	4	9,992,820
MONTANA	7	2,863,968
NEBRASKA	4	2,609,300
NEVADA	5	1,394,733
NEW HAMPSHIRE	1	225,584
NEW JERSEY	1	509,512
NEW MEXICO	13	5,359,579
NEW YORK	1	241,200
NORTH CAROLINA	11	6,287,972
NORTHERN MARIANA ISLANDS	1	446,470
OHIO	9	6,368,191
OKLAHOMA	15	16,270,360
OREGON	3	1,156,093
PENNSYLVANIA	13	14,277,144
SOUTH CAROLINA	7	4,564,674
SOUTH DAKOTA	5	2,898,589
TENNESSEE	18	8,427,255
TEXAS	37	43,701,198
TRUST TERRITORY OF THE PACIFIC ISLANDS	2	454,500
UTAH	7	3,907,951
VERMONT	1	170,000
VIRGINIA	6	1,323,475
WASHINGTON	11	5,138,615
WEST VIRGINIA	4	1,497,300
WISCONSIN	1	667,818
WYOMING	10	2,918,062
TOTAL	379	$245,111,398

DOT Chart

BUSINESS/PERSONAL AIRCRAFT INDUSTRY — JUNE UNIT SHIPMENTS

		June 83	Cal. Year	Fisc.† Year
BEECH AIRCRAFT CORP.				
• Single-Engine				
BE-77	Skipper	2	3	5
BE-C23	Sundowner	5	12	16
BE-C24R	Sierra	0	2	8
BE-F33A	Bonanza	1	10	15
BE-V35B	Bonanza	0	4	5
BE-A36	Bonanza	7	30	43
BE-B36TC	Bonanza	8	31	40
• Multi-Engine				
BE-B55	Baron	6	11	11
BE-E55	Baron	1	1	4
BE-58	Baron	5	17	27
BE-58TC	Baron	1	2	2
BE-58P	Baron	1	8	21
BE-76	Duchess	0	0	1
BE-B60	Duke	0	7	8
BE-C99	Airliner	2	9	10
BE-C90-1	King Air	3	12	20
BE-F90	King Air	2	6	11
BE-B100	King Air	1	2	3
BE-200	Super King Air	6	35	53
BE-200C	Super King Air	5	8	8
BE-200T	Super King Air	0	0	1
TOTAL		56	210	312
Manufacturers net billing - $34,602,344				
BRITISH AEROSPACE				
• Multi-Engine				
HS-125-700	Model A	0	1	5
HS-125-700	Model B	0	6	9
TOTAL		0	7	14
PILATUS BRITTEN-NORMAN LTD.				
• Multi-Engine				
BN-2	Islander	0	3	8
BN-2T	Islander	1	2	3
Mark III	Trislander	0	1	1
TOTAL		1	6	12
CESSNA AIRCRAFT CO.				
• Single-Engine				
CE-152		19	96	139
CE-A152	Aerobat	3	3	5
CE-172	Skyhawk	17	103	148
CE-172	Cutlass	1	9	9
CE-172RG	Cutlass	2	21	39
CE-182	Skylane	10	43	73
CE-122	Turbo Skylane	3	6	9
CE-182RG	Skylane RG	1	15	22
CE-182RG	Turbo Skylane RG	3	10	17
CE-185	Skywagon	2	12	20
CE-U206	Stationair 6	10	45	58
CE-TU206	Turbo Stationair 6	3	36	51
CE-208	Stationair 8	1	7	10
CE-TU208	Turbo Stationair 8	0	3	3
CE-210	Centurion	3	8	16
CE-T210	Turbo Centurion	2	24	40
CE-P210	Pressurized Centurion	4	15	21
CE-188	AgHusky	0	11	16
CE-188	AgTruck	1	12	17
• Multi-Engine				
CE-303	Crusader	4	32	50
CE-335		0	1	1
CE-340		0	16	20
CE-402		1	11	15
CE-404	Titan	0	0	2
CE-414	Chancellor	1	7	12
CE-421	Golden Eagle	2	10	15
CE-425	Conquest I	4	21	34
CE-441	Conquest II	1	10	17
CE-500	Citation I	0	5	15
CE-550	Citation II	1	16	38
CE-650	Citation III	2	5	5
CESSNA/REIMS AVIATION				
• Single-Engine				
CE-F152		3	7	13
CE-F152	Aerobat	0	0	1
CE-F172	Skyhawk	3	5	12
CE-FR172	Hawk XP	0	0	0
CE-F182	Skylane	0	0	0
CE-F182RG	Skylane RG	0	0	0
TOTAL		107	625	963
Manufacturers net billing - $25,449,277				

		June 83	Cal. Year	Fisc.† Year
AVIONS-MARCEL DASSAULT				
• Multi-Engine				
AD-My.10	Falcon	0	2	4
AD-My.20	Falcon	2	2	3
AD-My.200	Falcon	1	4	4
AD-My.50	Falcon	3	10	28
TOTAL		6	18	39
DEHAVILLAND AIRCRAFT OF CANADA				
• Multi-Engine				
DHC-5		0	0	2
DHC-6		0	4	5
DHC-7		0	3	8
TOTAL		0	7	15
EMBRAER				
• Single-Engine				
EMB-200		0	0	0
EMB-201	Ipanema	0	7	11
EMB-710	Carioca (PA-28-235 Dakota)	0	2	2
EMB-711	Corisco (PA-28RT-201 Arrow)	0	2	2
EMB-712	Tupi (PA-28-181 Archer II)	0	1	1
EMB-720	Minuano (PA-32-310 Saratoga)	0	1	2
EMB-721	Sertanejo(PA-32R-301 Saratoga)	1	2	4
• Multi-Engine				
EMB-110	Bandeirante	2	5	12
EMB-121	Xingu	0	1	4
EMB-810D	Seneca II	1	19	35
EMB-820	Chieftain	0	1	1
TOTAL		4	41	74
FAIRCHILD AIRCRAFT CORP.				
• Multi-Engine				
Metro IIA		0	0	2
Metro III		2	7	19
Merlin III-C		0	0	0
Merlin IV-C		0	0	5
TOTAL		2	7	26
(Exports: 1 Metro III to West Germany)				
GATES-LEARJET				
• Multi-Engine				
LR-25D		2	3	6
LR-35A		1	2	11
LR-36A		0	2	2
LR-55		3	10	26
TOTAL		6	17	45
GULFSTREAM AEROSPACE				
• Single-Engine				
GR-164	Agcat	0	0	1
• Multi-Engine				
G-47	Cougar	0	0	0
GR-1159A	Gulfstream III	4	15	29
AE-840	Turbo Commander	0	4	6
AE-900	Commander 900	1	4	8
AE-980		0	0	1
AE-1000		0	4	13
TOTAL		5	27	58
Manufacturers net billing - $45,996,000				
(Exports: 1 G-III to Algeria, Bahrain, Indonesia, Saudi Arabia)				
Totals adjusted to reflect cancellation of 1 AE-900 export to the Philippines in March.				
ISRAEL AIRCRAFT INDUSTRIES				
• Multi-Engine				
1124	Westwind	1	4	4
TOTAL		1	4	4
Figures include one previously unrecorded delivery in April.				
LAKE AIRCRAFT				
• Single-Engine				
LA-4-200	Buccaneer	2	13	21
TOTAL		2	13	21
Manufacturers net billing - $213,000				
MAULE AIRCRAFT				
• Single-Engine				
M-5-180C		0	1	3
M-5-200		0	0	1
M-5-235C	Lunar Rocket	0	3	4
M-6-235		3	19	24
TOTAL		3	23	32
Manufacturers net billing - $152,999				

		June 83	Cal. Year	Fisc.† Year
MITSUBISHI				
• Multi-Engine				
Solitaire		0	0	0
Marquise		1	3	12
Diamond		2	15	28
TOTAL		3	18	40
(Exports: 1 Diamond to Denmark)				
MOONEY AIRCRAFT CORP.				
• Single-Engine				
M-20J	201	7	45	65
M-20K	231	4	24	55
TOTAL		11	69	120
(Exports: 3 201 to Israel, 1 201 to West Germany)				
PIPER AIRCRAFT CORP.				
• Single-Engine				
PA-18-150	Super Cub	0	0	33
PA-38-112	Tomahawk	1	8	15
PA-28-161	Warrior	15	73	102
PA-28-181	Archer II	9	57	86
PA-28-236	Dakota	2	15	22
PA-28RT-201	Arrow IV	0	0	4
PA-28RT-201T	Turbo Arrow IV	2	17	35
PA-32-301	Saratoga	1	13	24
PA-32-301T	Turbo Saratoga	0	5	7
PA-32R-301	Saratoga SP	6	16	25
PA-32R-301T	Turbo Saratoga SP	3	20	30
PA-36-375	Pawnee Brave	0	10	42
• Multi-Engine				
PA-23-250	Aztec	0	0	0
PA-31-310	Navajo	0	1	3
PA-31-325	Navajo C/R	1	8	11
PA-31-350	Chieftain	3	21	34
PA-31P-350	Mojave	2	2	2
PA-31T-501T	Cheyenne IA	1	4	9
PA-31T-620	Cheyenne II	0	6	8
PA-31T2-620	Cheyenne II XL	0	4	7
PA-42-720	Cheyenne III	0	3	10
PA-34-220T	Seneca III	4	40	69
PA-44-180	Seminole	0	15	15
PA-44-180T	Turbo Seminole	0	0	1
PA-600A	Aerostar	0	0	0
PA-601B	Aerostar	0	1	1
PA-601P	Aerostar	0	0	0
PA-602P	Aerostar	1	12	16
PA-T1020		0	2	3
PA-T1040		1	3	9
TOTAL		52	356	623

Manufacturers net billing - $7,856,000*
*(Figure includes 5 Pillan T-35 aircraft kits delivered to Chile)

		June 83	Cal. Year	Fisc.† Year
ROCKWELL INTERNATIONAL				
• Multi-Engine				
NA-65	Sabreliner	0	0	0
Model 60		0	1	1
TOTAL		0	1	1
SHORT BROTHERS LTD.				
• Multi-Engine				
SBJ-CS-7	Skyvan	0	1	1
SD-3-30		2	5	5
SD-3-60		1	11	14
TOTAL		3	17	20
SINGLE-ENGINE		170	937	1,492
MULTI-ENGINE		92	529	927
GRAND-TOTAL		262	1,466	2,419

UNIT SHIPMENTS COMPARATIVE TREND: 18 MANUFACTURERS

	June			Calendar Year to Date			Fiscal Year to Date†		
	1983	1982	1981	1983	1982	1981	1983	1982	1981
Beech	56	44	119	210	342	640	312	620	971
British Aerospace	0	2	2	7	12	17	14	22	27
Britten-Norman	1	1	4	6	11	14	12	19	28
Cessna	107	197	432	625	1,292	2,396	963	2,218	3,973
Dassault	6	4	5	18	34	47	39	51	69
de Havilland	0	*	*	7	*	*	15	*	*
Embraer	4(2)	15(5)	19(7)	41(13)	108(32)	118(44)	74(27)	156(49)	217(78)
Fairchild	2	4	6	7	25	29	26	61	52
Gates	6	17	8	17	55	58	45	99	96
Gulfstream	5	6	16	27	43	205	58	87	298
Israel	1	2	7	4	18	21	4	27	31
Lake	2	2	7	13	7	31	21	17	47
Maule	3	6	2	23	23	20	32	30	30
Mitsubishi	3	3	6	18	8	22	40	20	33
Mooney	11	10	34	69	99	162	120	171	236
Piper	52	62	238	356	587	1,434	623	1,056	2,058
Rockwell	0	0	5	1	2	26	1	4	35
Short	3	3	0	17	10	6	20	13	11
TOTAL	262	378	910	1,466	2,676	5,246	2,419	4,671	8,212

Parentheses show actual Embraer deliveries, not including aircraft kits.
† Fiscal year October 1 - September 30.
* Figures not available.